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DEPARTMENT OF THE INTERIOR AND RELATED
AGENCIES APPROPRIATIONS FOR 1997

HEARINGS

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BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTH CONGRESS
SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND
RELATED AGENCIES

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NOTE: Under Committee Rules, Mr. Livingston, as Chairman of the Full Committee, and Mr. Obey, as Ranking
Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

DEBORAH WEATHERLY, LORETTA BEAUMONT, JOEL KAPLAN, and CHRISTOPHER TOPIK,
Staff Assistants

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATION, F.Y. 1997

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(ii)

BUREAU OF INDIAN AFFAIRS

(i)

SUMMARY OF REQUIREMENTS INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS (Dollars in Thousands)									
Comparison by Activity/Subactivity	FY 1995 Actual FTE Amount	FY 1996 Estimate To Date FTE Amount	Uncontrollable & Related Changes (+/-)		Program Changes (+/-)	1997 Budget Request FTE Amount	Increase/Decrease from 1996 FTE Amount		
			FTE	Amount					
Indian Land & Water Claim Settlements	-	73,051	-	73,051	-	74,400	-	(4,200)	
Miscellaneous Payments to Indians	22	1,045	-	1,045	-	841	0	(204)	
Trust Fund Deficiencies	-	3,000	-	1,000	-	0	-	(1,000)	
Subtotal Direct Program	22	77,096	19	80,845	0	75,241	0	(5,404)	
Reimbursable Program	-	-	-	-	-	-	-	-	
Allocations from Other Agencies	-	-	-	-	-	-	-	-	
Total Appropriation	22	77,096	19	80,845	0	75,241	0	(5,404)	

Justification of Program and Performance

Account Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians

Program Element		1996 Estimate To Date	Uncontrollable and One-Time Changes	Program Changes	1997 Budget Request	Change From 1996
Indian Land and Water Claim Settlements	\$(000)	78,600	0	-4,200	74,400	-4,200
Miscellaneous Payments to Indians	\$(000)	1,045	12	-216	841	-204
	FTE	19	0	0	19	0
Trust Fund Deficiencies	\$(000)	1,000	0	-1,000	0	-1,000
Total Requirements	\$(000)	80,645	12	-5,416	75,241	-5,404
	FTE	19	0	0	19	0

INDIAN LAND AND WATER CLAIM SETTLEMENTS

Program Element		1996 Estimate To Date	Uncontrollable and One-Time Changes	Program Changes	1997 Budget Request	Change From 1996
Ute Indian Rights Settlements	\$(000)	25,000	0	0	25,000	0
Jicarilla Settlement Act	\$(000)	2,000	0	-2,000	0	-2,000
Fallon Water Rights Settlement	\$(000)	8,000	0	0	8,000	0
Pyramid Lake Water Rights Settlement	\$(000)	10,000	0	2,000	12,000	2,000
Northern Cheyenne	\$(000)	25,600	0	-10,200	15,400	-10,200
Catawba	\$(000)	8,000	0	0	8,000	0
Torres-Martinez	\$(000)	0	0	6,000	6,000	6,000
Total Requirements	\$(000)	78,600	0	-4,200	74,400	-4,200

Objectives

- To fulfill the intent of Congress by imposing tribal rights to all water to which each tribe is statutorily entitled (settlement act) in order to accomplish the purpose for which its reservation was established
- To ensure that the federal trust responsibility to the affected tribes is properly discharged in accordance with the highest fiduciary standards
- To provide a separate source of federal funds to implement the provisions and intent of each water settlement, with the goal of establishing a viable homeland for affected tribes

MISCELLANEOUS PAYMENTS TO INDIANS

Program Subelement		1996 Estimate To Date	Uncontrol- able Changes	Program Changes	1997 Budget Request	Change From 1996
White Earth Land Settlement Act (Adm)	\$(000)	596	10	0	606	10
	FTE	13	0	0	13	0
Old Age Assistance Administration	\$(000)	216	0	-216	0	-216
	FTE	4	0	0	4	0
Hoopa-Yurok Settlement	\$(000)	233	2	0	235	2
	FTE	2	0	0	2	0
Total Requirements	\$(000)	1,045	12	-216	841	-204
	FTE	19	0	0	19	0

Objective To compensate Indian individuals and tribes for divested ownership of land and other specified purposes as authorized by enacted legislation and court settlements

FY 1996 Plans and Accomplishments (\$1,045,000; FTE 19) Plans and accomplishments for these programs are described in the narratives below.

White Earth Reservation Land Settlement Act (\$596,000; FTE 13) Funds are used to investigate and verify questionable transfers of land by which individual Indian allottees, or their heirs, were divested of ownership and to achieve the payment of compensation to said allottees or heirs in accordance with the Act (*Public Law 99-264*). In calendar year 1995, 2,890 compensation payments were made to 1,179 claimants for 211 questionable transfers of land covered by the Act. Over 2,500 compensation payments will be made in FY 1996.

Old Age Assistance Claims Settlement Act (\$216,000; FTE 4) Funds are used to identify, notify, and compensate individuals entitled to payment under the Old Age Assistance Claims Settlement Act (*Public Law 98-500*), complete work relating to any remaining claims, and locate and compensate individuals whose whereabouts are unknown. Fiscal year 1996 efforts are focused on payments for fewer than 100 cases and the location of some 1,500 claimants who remained unpaid at the end of fiscal year 1995.

Hoopa-Yurok Settlement Act (\$233,000; FTE 2) Funds are used for administrative expenses associated with the completion of section 4(c)(d) and 6(c) of the Hoopa-Yurok Settlement Act (*Public Law 101-580*), the Hoopa-Yurok Settlement Roll.

TRUST FUND DEFICIENCIES

Program Subelement		1996 Estimate To Date	Uncontrol- able Changes	Program Changes	1997 Budget Request	Change From 1996
Trust Fund Deficiencies	\$(000)	1,000	0	-1,000	0	-1,000
Total Requirements	\$(000)	1,000	0	-1,000	0	-1,000

Objectives

- To reimburse tribes and/or individual Indians for principal and interest losses due to under-recovery of trust funds invested with failed financial institutions
- To reimburse Indian tribal and individual trust fund account holders for losses to their respective accounts where the claim for said loss(es) has been reduced to a judgement and/or settlement agreement approved by the Department of Justice
- To liquidate obligations owed tribal and individual Indian payees for any U S Treasury checks canceled pursuant to section 1003 of the Competitive Equality Banking Act of 1987 [(Public Law 100-86, 101 Stat 659, 31 U S C 3334(b))]

FY 1996 Plans and Accomplishments (\$1,000,000) The Federal Government is obligated by statute and treaty to fulfill its fiduciary responsibilities to tribes and individual Indians. This also includes Indian trust funds accounting and accurately maintaining the trust corpus through prudent management and investment of funds to maximize income to the extent possible. This funding will continue to support the following: 1) to pay for principal and interest losses related to failed financial institutions, 2) to reimburse Indian trust fund account holders for losses to their respective accounts where the claim for said loss(es) has been reduced to a judgment and/or settlement agreement approved by the Department of Justice, and 3) to liquidate obligations owed tribal and individual Indian payees for canceled U S Treasury checks. A total of \$10 million has been appropriated to date for specific trust fund losses. Of this amount, \$6,418,000 reimbursed tribal and individual Indian money accounts for losses on investments in failed financial institutions, \$846,000 was used to liquidate obligations owed to individual payees for canceled U S Treasury obligations, and the balance has or will be used to cover specific claims and settlements.

Justification of Program Changes

Program Element		1997 Budget Request	Program Changes (+/-)
Indian Land and Water Claims Settlements			
Old Age Assistance Administration	\$(000)	0	-216
Jicarilla Settlement Act	\$(000)	0	-2,000
Pyramid Lake Water Rights Settlement	\$(000)	12,000	2,000
Northern Cheyenne	\$(000)	15,400	-10,200
Torres-Martinez	\$(000)	6,000	6,000
Trust Fund Deficiencies	\$(000)	0	-1,000
Total Requirements	\$(000)	33,400	-5,416

Indian Land and Water Claim Settlements (-\$5,416,000).

Old Age Assistance Administration (-\$216,000) There are sufficient carryover funds to complete the requirements of the Old Age Assistance Claims Settlement Act. At the beginning of FY 1996, approximately 1,500 claimants remained unpaid.

Jicarilla Apache Tribe Water Rights Settlement Act (-\$2,000,000). The \$2 million appropriated in FY 1996 was the final payment required by *Public Law 102-441*.

Truckee-Carson-Pyramid Lake Water Settlement (\$2,000,000) Within the \$12 million requested for FY 1997, \$8 million will be used for the fifth and final installment for Pyramid Lake Paiute Economic Development trust fund, in accordance with the provisions of *Public Law 101-618*. The remaining \$4 million will be used to purchase Truckee River water rights to support the recovery of Cui-ui and Lahontan cutthroat trout (endangered and threatened fish addressed in Section 207) by providing water for spawning flows, instream flows for improved riparian habitat, improvement of water quality, and raising the water level of Pyramid Lake.

Northern Cheyenne Indian Reserved Water Rights Settlement (-\$10,200,000) The \$15.4 million requested for FY 1997 will provide \$10.3 million for the modification of the Tongue River Dam and \$5.1 million for the Northern Cheyenne trust fund to be used for land and natural resources administration, planning, and development within the reservation, land acquisition, and other purposes, as determined by the Tribe, in accordance with the provisions of *Public Law 102-374*.

Funding for Tongue River Dam is required to complete modifications of this dam on schedule. The Compact between the Northern Cheyenne Tribe, the State, the Federal Government, and the Settlement Act that ratifies it, specifies that the Tongue River Dam Project must be completed by September 30, 1998. If the project is not completed by that date, agreements reached under the compact are null and void. All costs of environmental compliance, mitigation associated with the Compact, and mitigation measures adopted by

the Secretary, are the sole responsibility of the United States pursuant to the Technical Corrections Act of 1994, amended *Public Law 102-374*. Federal and State's contribution are subject to indexing at the January 1991 level over the years. The current estimates for funds authorized by the Act are \$63.4 million, including \$21.5 million for the tribal fund, \$41.9 million for the Tongue River Dam plus \$3.5 million for fish and wildlife enhancement. The FY 1997 request of \$15.4 will bring the total appropriated for this settlement to \$57.9 million (\$36.4 for Tongue River Dam and \$21.5 million for the tribal funds).

Ute Indian Rights Settlements The funds requested for FY 1997 (No change from 1996, \$25.0 million) will be deposited in the Tribal Development Fund (authorized in Section 506). Without annual funding of at least \$25.0 million in 1997 and beyond, the settlement terms will not be fulfilled by the settlement deadline year (2004).

Torres-Martinez (+\$6,000,000) An increase of \$6.0 million is requested to fulfill anticipated settlement requirements related to claims of the Torres-Martinez Band of Cahuilla Mission Indians. Over the past 70 years, the Torres-Martinez Indian Reservation in the Coachella Valley, California has experienced inundation of agricultural waste drainage from nearby irrigation systems.

Law suits have been brought against the irrigation districts and the United States and at this point all parties believe it is in everyone's best interest to enter into a settlement agreement as a compromise and final settlement of all issues and claims. As of the spring of 1996, all parties are close to reaching consensus on the terms of a settlement agreement which would require contribution of \$6.0 million from funds appropriated for this purpose to the Department of Interior.

It is anticipated that during FY 1996, the Torres-Martinez settlement agreement will be signed and legislation will be enacted that will authorize the appropriation of \$6.0 million in FY 1997. According to the terms of the current settlement agreement, no further payments would be required of the Department of Interior relative to these claims.

Trust Fund Deficiencies (-\$1,000,000) No funds are requested for trust fund deficiencies in FY 1997. Last year's budget requested \$12.7 million to reimburse Individual Indian Monies accounts (IIM) for interest foregone as the result of delays in recovering principal from uninsured CD losses over \$100,000. The request was not funded. Additional errors and deficiencies have been identified through both internal Bureau efforts and the Congressionally directed tribal account reconciliation which was completed at the end of 1995. The Department is currently exploring options, including comprehensive legislation, for resolving potential claims relating to past management of Indian trust funds. Resolution is a complex matter for many reasons, including the varied nature of the errors and availability of records. Accordingly, until a comprehensive approach is developed and accepted by the Congress, no funding is requested for trust losses.